

**HESSMER VOLUNTEER FIRE DEPARTMENT, INC.**

Financial Report

Year Ended December 31, 2012

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## ACCOUNTANT'S REPORT

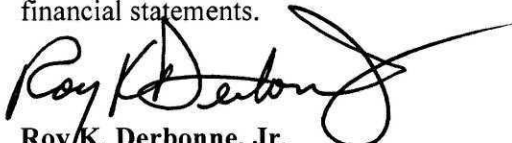
To the Board of Directors  
Hessmer Volunteer Fire Department, Inc.  
Hessmer, Louisiana

I have compiled the accompanying financial statements of Hessmer Volunteer Fire Department, Inc. (a nonprofit organization), as of December 31, 2012, and the related statements of activities and cash flows for the year then ended. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institution of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.



Roy K. Derbonne, Jr.  
Certified Public Accountant

Alexandria, Louisiana  
June 13, 2013

## **FINANCIAL STATEMENTS**

HESSMER VOLUNTEER FIRE DEPARTMENT, INC.  
Hessmer, Louisiana

Statement of Net Position  
(Unaudited)  
December 31, 2012

ASSETS

Current Assets	
Cash and Cash Equivalents	\$ 16,241
Accounts Receivable	99,137
Total Current Assets	<u>115,378</u>
Capital Assets	
Building and Improvements	150,758
Equipment	360,202
Trucks	710,520
Total	<u>1,221,480</u>
Less: Accumulated Depreciation	<u>(697,267)</u>
Capital Assets	<u>524,213</u>
Total Assets	<u><u>\$ 639,591</u></u>

LIABILITIES AND NET POSITION

Current Liabilities	
Current Portion of Notes Payable	\$ 26,417
Accounts Payable	304
Accrued Interest Payable	4,544
Total Current Liabilities	<u>31,265</u>
Long-Term Liabilities	
Notes Payable (Net of Current Portion)	<u>217,180</u>
Total Liabilities	<u>248,445</u>
Net Position	
Unrestricted -	
Operations	115,073
Investment in Capital Assets, net of debt	<u>276,073</u>
Total Net Position	<u>391,146</u>
Total Liabilities and Net Position	<u><u>\$ 639,591</u></u>

See accountant's report.

HESSMER VOLUNTEER FIRE DEPARTMENT, INC.  
Hessmer, Louisiana

Statement of Activities and Changes in Net Position  
(Unaudited)

For the Year Ended December 31, 2012

Support and Revenue	
Support	
Contributions	\$ 990
Revenue	
Ad Valorem Taxes	86,986
Forestry Grant	2,464
Election Rent	300
Total Revenue	<u>89,750</u>
Total Support and Revenue	90,740
Expenses	
Accounting	1,025
Depreciation	30,191
Dues and Subscriptions	1,313
Interest	26,098
Office	358
Repairs	5,224
Salaries	6,207
Supplies	5,031
Utilities	213
Meeting Expense	2,407
Uniforms	723
Insurance	7,605
Other	2,262
Total Expenses	<u>88,657</u>
Change in Net Position	2,083
Net Position, Beginning of Year	<u>389,063</u>
Net Position, End of Year	<u>\$ 391,146</u>

See accompanying notes and accountant's compilation report.

HESSMER VOLUNTEER FIRE DEPARTMENT, INC.  
Hessmer, Louisiana

Statement of Cash Flows  
(Unaudited)  
For the Year Ended December 31, 2012

Cash Flows Provided for Operating Activities	
Change in Net Position	\$ 2,083
Adjustments to Reconcile Change in Net Position to Net Cash	
Provided for Operating Activities -	
Depreciation	30,191
Increase in Accounts Receivable	(13,964)
Decrease in Accounts Payable	(40)
Total Adjustments	<u>16,187</u>
Net Cash Provided for Operating Activities	<u>18,270</u>
Cash Flows from Investing Activities	
Purchase of Truck and Equipment	<u>(41,728)</u>
Total Cash Used for Investing Activities	<u>(41,728)</u>
Cash Flows from Financing Activities	
Increase in Accrued Interest Payable	2,314
Payments on Note Payable	(25,026)
Proceeds from Long-Term Financing	<u>48,623</u>
Net Cash Used from Financing Activities	<u>25,911</u>
Net Increase in Cash and Cash Equivalents	2,453
Cash and Cash Equivalents, Beginning of Year	<u>13,788</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 16,241</u></u>

See accompanying notes and accountant's compilation reprot.

HESSMER VOLUNTEER FIRE DEPARTMENT, INC.  
Marksville, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

Fire Department

The Hessmer Volunteer Fire Department, Inc. (Fire Department) was incorporated on May 11, 1992 as a nonprofit corporation as defined in Louisiana Revised Statutes of R. S. 1950 Title 12, Chapter 2, as amended. The Fire Department operates under a Board of Directors consisting of a president, vice-president, and secretary-treasurer and are elected on an annual basis. The members of the Hessmer Volunteer Fire Department vote on all matters brought before the Board. The Fire Department serves approximately 1,975 structures and meetings are held monthly. The following is a summary of certain significant accounting policies.

A. Financial Statement Presentation:

The Fire Department adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Fire Department is required to report information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions.

The Fire Department also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made" in accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. In addition, the Fire Department has not received any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets.

B. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

C. Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

D. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1st and are due and payable on or before December 31. All unpaid taxes become delinquent January 2 of the following year. The taxes are assessed by the Avoyelles Parish Assessor's Office and collected by the Avoyelles Parish Sheriff's Office. The taxes are then remitted to the Avoyelles Parish Police Jury on behalf of Fire Protection District No. 2. The Fire Department is one of 14 members in this District. After deducting a fee of \$20,000 to



HESSMER VOLUNTEER FIRE DEPARTMENT, INC.  
Marksville, Louisiana

Notes to Financial Statements

defray the expenses of the Board of Commissioners of the Fire Protection District, each member is guaranteed a base amount of \$25,000. Any remaining funds are distributed to the members on a basis of structures served.

E. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

F. Fixed Assets

Fixed assets acquired by the Fire Department are considered to be owned by it.

The Fire Department follows the practice of capitalizing, at cost, all expenditures for fixed assets. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Building and improvements	40 years
Furniture and equipment	10 years
Vehicles	10 years

The net fixed asset balance has been recorded as a separate component in unrestricted net assets.

(2) Deposits and Investments

Deposits

At year end, the carrying amount of the Fire Department's deposits was \$16,241 and the bank balance was \$17,027. Of the bank balance, \$17,027 was covered by federal depository insurance. Of this amount, \$16,205 was tax monies, which is restricted to be expended on fire equipment and supplies.

(3) Accounts Receivable

The Billed receivable balance at December 31, 2011 of \$99,137 consisted of property taxes due from the Fire Protection District No. 2 of \$98,777, and \$360 in contributions.

HESSMER VOLUNTEER FIRE DEPARTMENT, INC.  
Marksville, Louisiana

Notes to Financial Statements

(4) Fixed Assets

A summary of changes in Property, Plant and Equipment are as follows:

	Balance 12/31/11	Additions	Deletions	Balance 12/31/12
Land and buildings	\$ 150,458	\$ 300	\$ -	\$ 150,758
Equipment	352,847	7,355	-	360,202
Trucks	676,447	34,073	-	710,520
	<u>\$ 1,179,752</u>	<u>\$ 41,728</u>	<u>\$ -</u>	<u>\$ 1,221,480</u>

(5) Changes in Long-term Debt

The following is a summary of note transactions of the Fire Department for the year ended December 31, 2012:

Notes payable at 12/31/11	\$ 220,000
Debt issued	48,623
Principal payments	<u>(25,026)</u>
Notes payable at 12/31/12	<u>\$ 243,597</u>

Notes payable (current and long-term portions) are financed with the Kansas State Bank and the Union Bank.

Notes payable at December 31, 2012 consist of the following individual liabilities:

\$236,866 secured note, dated May 30, 2012, bearing interest at 4.124% per annum. Final maturity date June 18, 2021. Annual payments of \$28,162.00	\$ 214,545
\$31,758 secured note, dated July 2, 2012, bearing interest at 6.9569% per annum. Final maturity date July 2, 2017. Annual payments of \$1,894.00	<u>29,052</u>
Total Notes Payable at December 31, 2012	243,597
Less Current Portion	<u>(26,417)</u>
Total Long-Term Portion of Notes Payable at December 31, 2012	<u>\$ 217,180</u>

HESSMER VOLUNTEER FIRE DEPARTMENT, INC.  
Marksville, Louisiana

Notes to Financial Statements

The annual requirements to amortize all notes outstanding at December 31, 2012 are as follow:

<u>Year Ending December 31,</u>	<u>Interest</u>	<u>Principal</u>	<u>Ending Balance</u>
2013	\$ 9,320	26,417	35,737
2014	8,194	27,543	35,737
2015	7,014	28,723	35,737
2016	5,778	29,959	35,737
2017	4,512	27,439	31,951
2018-2021	9,132	103,516	112,648
Totals	<u>\$ 43,950</u>	<u>\$ 243,597</u>	<u>\$ 287,547</u>

(6) Retirement Commitments

Individuals who serve the Fire Department are volunteers, therefore, there is no liability for retirement benefits. However, the Fire Department reimburses the Village of Hessmer for the salaries and payroll taxes of two part time firemen. The Village is responsible for benefits of these employees.

(7) Commitments and Contingencies

As of December 31, 2012 there were no lawsuits against the Fire Department.

(8) State Grant

The District received a forestry grant in the amount of \$2,464 to be used for the purchase of equipment. The grant funds were used to purchase fire equipment.